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C O N F I D E N T I A L SECTION 01 OF 02 SOFIA 000092

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SUBJECT: BULGARIA: EU MONITORING REPORT LIKELY TO GIVE  
MIXED REVIEWS

Classified By: Ambassador James Warlick for reasons 1.4 (b) and (d).

¶1. (C) Summary: In mid-February the European Commission will release its interim monitoring report on the Bulgarian government's efforts to improve rule of law. The report's tone is likely to be positive, commending the government of Boyko Borissov for its strong political will to fight organized crime and corruption. But there will be criticisms as well. The EC will likely chide Bulgaria for making little progress in at least four of the 21 benchmarks laid out in the EC's harsh July 2009 report. Despite some impressive arrests and investigations of former high-level officials, the EC will also stress the need for follow-through and convictions. End Summary.

¶2. (C) In its July 2009 report, the European Commission identified 21 ROL benchmarks Bulgaria must address to meet minimum EU standards. The Borissov government, which took power the same week the last EU report was released, has addressed all 21 areas, but has made very little progress in four of them. While the judicial system has long been considered the weakest link in Bulgaria's fight to improve the rule of law, the government will report more progress -- at least on paper -- in the area of judicial efficiency rather than on organized crime and corruption. Borissov swept into power on a platform promising to battle organized crime and corruption, but despite several high level investigations and arrests, the government still has a long way to go to implement all of the EU's specific anti-corruption recommendations.

#### REFORMING THE JUDICIARY

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¶3. (C) Of the EC's ten recommendations concerning the efficiency of the judiciary, four concern reform of the Criminal Procedure Code. Parliament approved, on first reading, draft amendments to the code on January 27 in an apparent effort to produce results before the EC February report. A final vote on the draft will not take place before April. To meet another EU recommendation, the Supreme Judicial Council, the governing board of the judiciary, developed and approved new regulations for evaluating magistrates' performance. Even before implementation, these regulations have come under criticism from the magistrates, who complain that the SJ is shifting its responsibility for performance evaluation to mid-level intermediaries. To address three other EC recommendations related to judicial reform, Bulgaria is using EU Funds, but these projects are just getting off the ground.

#### THE FIGHT AGAINST ORGANIZED CRIME AND CORRUPTION

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14. (C) The Borissov government's moves against criminal groups have made headlines at home and abroad, and the GOB will likely stress these law enforcement efforts to soften EU criticism on a lack of progress on four of the 11 July 2009 EC recommendations on combating organized crime and corruption. The government approved an integrated strategy for fighting organized crime and corruption. It also established interagency organized crime task forces, strengthened anti-money laundering provisions and is drafting legislation on strengthening the asset forfeiture law. The government passed legislation to reform the Ministry of Interior and the State Security Services (DANS) to eliminate overlapping roles and improve interagency cooperation.

15. (C) While the EC will focus on these legislative and structural reforms, it is the government's initial, dramatic moves to break up two large and infamous organized crime rings (one involving kidnapping and another auto theft) that have won Borissov kudos at home. The government is also investigating possible criminal activity of four former ministers, two of whom have been formally charged. During Borissov's tenure high-profile trials of organized crime bosses, an energy oligarch and politically-connected businessmen were launched or reinvigorated, but all have fallen victim in one way or another to the procedural traps and loop holes that plague the Bulgarian judicial system and the final outcome of these cases remains in doubt.

16. (C) Comment: The Commission is likely to cut the Borissov government some slack given both its short time in

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office and the government's stated political will to tackle the toughest organized crime and corruption problems. To its credit, the government has racked up some victories, not only on the law enforcement side, but also in real legislative reform that has resulted in a tighter, more efficient rule of law regime. The Commission can, and likely will, comment on a lack of convictions in OC and corruption cases. The EC's current disarray will likely preclude any overly-negative or unexpected judgments. The real test for the Borissov government will come when the new Commission releases its full-scale monitoring report in July.

WARLICK